



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

CHIP CARDS: How they work

What is a chip card?

Chip cards, also known as Smart Cards and EMV, are credit or debit cards with a built-in microchip. The chip stores your account information and encrypts your transaction data for in-store purchases.



Why am I getting one?

Traditional magnetic-stripe cards are being phased out in the United States because chip cards are internationally recognized as a safer form of payment. Most banks and credit card companies plan to switch to chip-enabled cards by October 1, 2015. If you have not already received a new debit or credit card, you will likely receive a replacement soon.

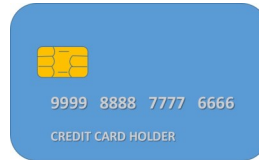


Why is a chip card more secure than a magnetic-stripe card?

Every time you use a chip card to make a purchase, the chip generates a unique, one-time code. This helps to protect your data in the event of a data breach. It also makes it more difficult for the card to be counterfeited or copied. Most cards will eventually require a PIN instead of a signature to complete each transaction.

What does a chip card look like?

Most new chip cards will have a microchip located on the front of the card and still have a magnetic stripe on the back. If you do not see a chip in your new card it may be embedded and will still be recognized by the chip-enabled terminals.



How do I use a chip card?

During either an ATM or purchase transaction, if the terminal accepts chip cards, it will detect the microchip and instruct you through the following steps:

STEP 1: Insert the card with the chip facing up and toward the terminal. Leave it inside.

STEP 2: Sign or enter your PIN.

STEP 3: Remove the card once the transaction is complete.

**Department of Consumer
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